

Message Text

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PAGE 01 MADRID 03945 141710Z
ACTION EB-08

INFO OCT-01 EUR-12 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15
STR-07 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01
DOE-15 /126 W

-----015544 150717Z /10

R 131119Z APR 78 HCS SVC 0132M H/W ZDK

FM AMEMBASSY MADRID
TO SECSTATE WASHDC 4206
INFO AMEMBASSY PARIS
AMEMBASSY BRUSSELS
AMEMBASSY ROME
AMEMBASSY THE HAGUE
AMEMBASSY BONN
AMEMBASSY LUXEMBOURG
AMEMBASSY COPENHAGEN
AMEMBASSY LONDON
AMEMBASSY DUBLIN
USMISSION GENEVA

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E.O. 11652: N/A
TAGS: ETRD SP
SUBJECT: GOS TO SEEK VALUE ADDED TAX LEGISLATION AT EARLY
DATE

1. AT OPENING OF CERAMIC AND METAL ARTS TRADE FAIRS IN
VALENCIA ON APRIL 9, THE TECHNICAL SECRETARY GENERAL OF
THE MINISTRY OF COMMERCE AND TOURISM, AS GUEST SPEAKER,
SAID THAT THE GOS WOULD PRESENT TO THE CORTES WITHIN TWO
WEEKS LEGISLATION TO ESTABLISH A VALUE ADDED TAX IN SPAIN.
HE FURTHER SAID THAT THE EFFECT OF THE VAT ON EXPORTS
WOULD BE NEUTRAL SINCE IT WOULD NOT RESULT IN A "PREMIUM"
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TO EXPORTERS OF CERTAIN PRODUCTS AS OCCURS AT PRESENT WITH
THE "DESGRAVACION FISCAL" WHICH THE VAT WOULD REPLACE.
SUBSEQUENT PRESS REPORTS INDICATE THAT VAT LEGISLATION
IS SCHEDULED FOR CONSIDERATION BY THE CABINET ON APRIL 14.

2. COMMENT: THE SPEAKER'S CANDOR IN ACKNOWLEDGING THE

PREMIUM EFFECT OF THE DESGRAVACION FISCAL IS REMARKABLE.
PASSAGE AND IMPLEMENTATION OF A VAT IS, OF COURSE, ENTIRELL
CONSISTENT WITH EEC PRACTICE. IN ADDITION, THE ABSENCE OF
SUBSIDIZED EXPORTS WOULD PRESUMABLY ELIMINATE THE NEED FOR
U.S. COUNTERVAILING DUTIES THEREBY REMOVING A MINOR
IRRITANT IN OUR BILATERAL RELATIONSHIP. STABLER

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NNN

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: VALUE ADDED TAXES
Control Number: n/a
Copy: SINGLE
Draft Date: 13 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Format: TEL
From: MADRID
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1978/newtext/t197804105/aaaafjes.tel
Line Count: 72
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Litigation Codes:
Litigation History:
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Message ID: e87035a6-c288-dd11-92da-001cc4696bcc
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Original Classification: LIMITED OFFICIAL USE
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Review Content Flags:
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2828320
Secure: OPEN
Status: <DBA CORRECTED> jms 970819
Subject: GOS TO SEEK VALUE ADDED TAX LEGISLATION AT EARLY DATE
TAGS: ETRD, SP
To: STATE
Type: TE
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Review Markings:
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